

**REPORT ON
CLERK OF THE CIRCUIT COURT
of the
COUNTY OF GRAYSON, VIRGINIA
CHARLES T. STURGILL**

**FOR THE PERIOD
OCTOBER 1, 2003 THROUGH DECEMBER 31, 2004**



- TABLE OF CONTENTS -

	<u>Pages</u>
AUDIT LETTER	1-2
INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS	3
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	4



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

May 5, 2005

The Honorable Charles T. Sturgill
Clerk of the Circuit Court
County of Grayson

Board of Supervisors
County of Grayson

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Grayson for the period October 1, 2003 through December 31, 2004.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Our audit was more limited than would be necessary to provide assurance on internal controls or to provide an opinion on overall compliance with laws and regulations. Because of inherent limitations in internal controls, errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projecting the evaluation of internal controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of controls may deteriorate.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system.

However we noted a certain matter involving internal control and its operation that we consider to be a reportable condition. A reportable condition involves a matter coming to our attention relating to a deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability. The reportable condition is discussed in the section titled "Internal Control and Compliance Findings and Auditor's Recommendations."

We do not believe this condition is a material weakness. A material weakness is a significant deficiency in the design or operation of internal controls that, in our judgment, could reasonably lead to the loss of revenues or assets, or otherwise compromise fiscal accountability and go undetected.

The results of our tests of compliance with applicable laws and regulations disclosed an instance of noncompliance that is required to be reported. This instance of noncompliance is discussed in the section entitled "Internal Control and Compliance Findings and Auditor Recommendations."

We discussed these comments with the Clerk on March 25, 2005 and we acknowledge the cooperation extended to us by the Court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:cam

cc: The Honorable Ray W. Grubbs, Chief Judge
William D. Ring, Interim County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

INTERNAL CONTROL AND COMPLIANCE FINDINGS AND AUDITOR'S RECOMMENDATIONS

The following findings are reportable internal control matters that could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability. The Clerk's response and written corrective action plan to remediate these findings are included as an enclosure to this report.

Promptly Receipt Collections

As noted in the prior year's audit, the Clerk fails to promptly receipt collections of hunting and fishing licenses in the Court's Financial Management System as required by Section 17.1-271 of the Code of Virginia and the Financial Management System User's Guide, Chapter 10. Specifically, we found a total of \$459 of collections maintained in an unsecured location and not processed in the Court's Financial Management System.

The Clerk's failure to promptly receipt collections may result in inaccurate reporting of money held by the Court and could result in lost revenue for the Commonwealth.



CHARLES T. STURGILL
CLERK

COMMONWEALTH OF VIRGINIA
CIRCUIT COURT OF GRAYSON COUNTY
P.O. BOX 130 • 129 DAVIS STREET
INDEPENDENCE, VIRGINIA 24348
(276) 773-2231 • (276) 236-8149



DEPUTIES
SUSAN M. HERRINGTON
SHARON A. HALE
DEBRA P. HENSLEY

May 11, 2005

Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Gentlemen:

This is in response to the attached copy of a reportable condition involving hunting and fishing licenses.

I am taking appropriate action to make sure this does not happen again. I have notified the Department of Game and Inland Fisheries to remove this office as an agent for selling game licenses.

Sincerely,


Charles T. Sturgill, Clerk

CTS/smh

Attachment

MAY 13 '05 AM 10:55